

*Kim -
new file - Torrance
DAC Agreement*

D I C U S S I O N D R A F T

TORRANCE ISSUES: PRINCIPLES FOR AGREEMENT FOR DAC-MDRC MEMORANDUM OF UNDERSTANDING

1. MDRC Responsible for Cost of DAC Move:
 - No double moves.
 - Outsource move planning, labor, and equipment to low cost bidder.
 - Move only currently essential assets. Dispose of non-essential assets to highest bidders.
 - Consolidate remaining assets for efficient use of space, thus maximizing areas for remediation, development, and sale.
2. MDRC Responsible for up to \$25M of Future Remediation Costs, not reimbursed by insurance or otherwise.
 - Follow Dan Summers direction as to methodology.
 - Current year DAC budgeted items to remain DAC responsibility and cost (primarily agency testing and compliance).
 - DAC will give guidance and co-operation and will bear internal costs thereof (i.e. no allocation of internal costs).
 - MDRC will co-ordinate all remediation action and expenditures with DAC.
3. DAC will be responsible for "rent" equal to depreciation charges on the buildings and land designated for its use as storage operations. It will also be responsible for utilities, taxes, insurance and operating expenses.
 - operating expenses will include the budgeted remediation costs mentioned above.
 - DAC and MDRC will explore the feasibility of outsourcing all or parts of the storage operations with a view to minimizing the rent and operating expenses.
4. MDRC will co-ordinate the development sequence with DAC to the extent that the planned remediation, development, and sales would effect DAC operations.
 - MDRC will give DAC long range planning notice when a subsequent relocation is required.
 - To the extent that high tech storage space is developed for the general market and to the extent that use of such space is economic for DAC, DAC will have the first option to lease such space for its storage requirements.

*DAC does Op.
more does
Capital
\$1.1 in 97
Corp picks
up the under*

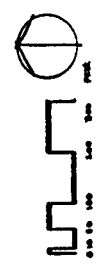
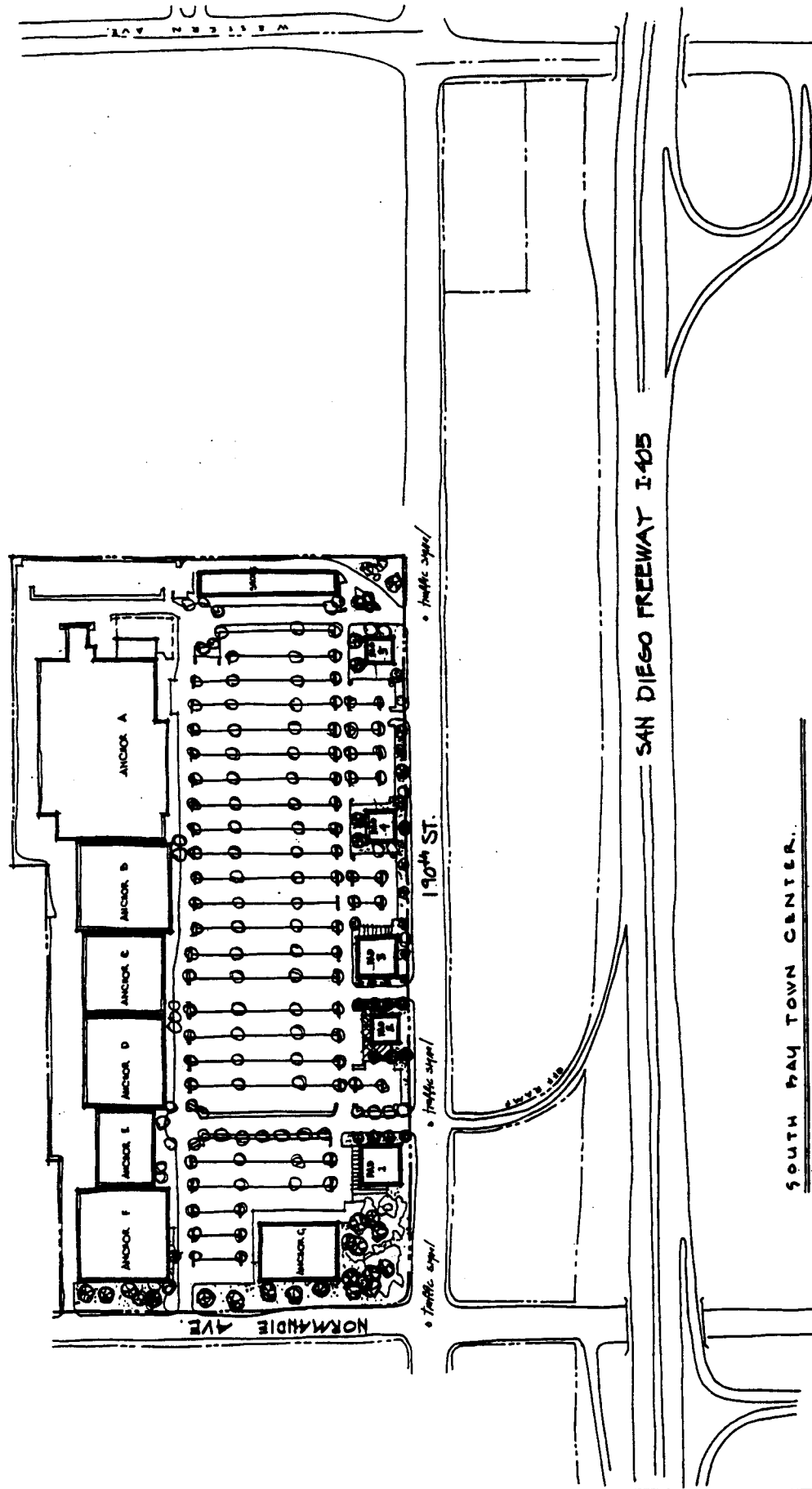


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A DEVELOPMENT PROPOSAL
BY VESTAR DEVELOPMENT COMPANY
CERRITOS, CALIFORNIA PHOENIX, ARIZONA



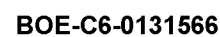
PROJECT NO.	DATE	BY
CONCEPT	10/15/00	LEO A DALY
SITE PLAN		
\$K.2		
PROJECT NUMBER	10-00-15	
DATE		
PROJECT NAME	SOUTH BAY TOWN CENTER	
SCALE	1" = 100'	
DATE	10/15/00	
BY	LEO A DALY	



PROJECT SUMMARY			
ANCHOR A	100,000	PAD 1	10,000
ANCHOR B	40,000	PAD 2	6,000
ANCHOR C	40,000	PAD 3	7,000
ANCHOR D	40,000	PAD 4	6,000
ANCHOR E	30,000	PAD 5	5,000
ANCHOR F	30,000	PAD 6	5,000
ANCHOR G	30,000		
TOTAL ANCHOR	260,000	TOTAL PAD	57,000
		TOTAL SHOP	10,000
		TOTAL TOTAL	127,000

PARKING	
2,150 CAR	
8.0 PER 1000	

GRAND TOTAL	127,000
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11 AM *Superior McCarthy*
12:30 *Conclude*
4:00 *Dean Bagnon*
6:00 *VSMP*

10 AM *Town M D*
Investment Committee
DAN John Van Gels

TORRANCE ISSUES: PRINCIPLES FOR AGREEMENT FOR DAC-MDRC
MEMORANDUM OF UNDERSTANDING

1. MDRC Responsible for ^{R?} *planning, design, and implementation (including paying cost)* of DAC Move ^{34, 37, 61, 67} *from buildings etc. from 36 Ave site.*
 - No double moves.
 - Outsource move planning, labor, and equipment to low cost bidder.
 - Move only currently essential assets. Dispose of non-essential assets to highest bidders. *Proceeds* of disposition to offset MDRC move costs with excess proceeds to DAC. *write downs*
 - Consolidate remaining assets for efficient use of space, thus maximizing areas for remediation development and sale. *capitalize*
2. MDRC Responsible for Future Remediation Costs of up to \$25M. *on overall 169 Ave site.*
 - Follow Dan Summers direction as to methodology.
 - Current year DAC budgeted items to remain DAC responsibility and cost (primarily *agency testing and compliance*). *ground water remediation project*
 - DAC will give guidance and co-operation and will bear internal costs thereof (i.e. no allocation of internal costs).
 - MDRC will co-ordinate all remediation action and expenditures with DAC and *Dan Summers*.
3. DAC will be responsible for ^{to pay MDRC} "rent" equal to ^{currently scheduled} depreciation charges, utilities, taxes, insurance and operating expenses on the buildings and land designated for its use as ^{on-going} storage operations. *DAC will also be responsible for*
 - operating expenses will include the budgeted remediation costs mentioned above.
 - DAC and MDRC will explore the feasibility of outsourcing all or parts of the storage operations with a view to minimizing the rent and operating expenses, *consistent with maintaining Union peace.*
4. MDRC will co-ordinate the development sequence with DAC to the extent that the planned remediation, development, and sales would effect DAC operations. *to the greatest extent possible*
 - MDRC will give DAC long range planning notice *(at least one year)* when a subsequent relocation is required.
 - To the extent that high tech storage space is developed for the general market and to the extent that use of such space is economic for DAC, DAC will have the option to lease such space for its storage requirements. *first*

gains

not a financial proceeds

book + costs to date = \$ 2.4M
sell @ \$ 2.5M - 3M